



Irish Life Weekly Investment Bulletin

The week that was – WEEK 02 (ending 13/01/2017)

“Many of the things you can count, don't count. Many of the things you can't count, really count.” - Albert Einstein

Irish consumer sentiment dips in December – The KBC / ESRI Irish consumer sentiment survey fell slightly in December to 96.2, from 97.8 in November, adding to declines seen during 2016 reflecting the unease felt by the uncertainty of the threat posed by “Brexit” vote decision and also Donald Trump’s Presidency in the U.S.

World Bank predicts global economy to grow 2.7% in 2017 – The World Bank in its Global Economic Prospects report is forecasting 2.7% growth in 2017 compared with the post-crisis low of 2.3% seen last year. “We are encouraged to see stronger economic prospects on the horizon,” Bank President Jim Yong Kim said.

Global stock market up 0.2% on the week – Global equities extended gains during the week with the MSCI AC World TR Index up 0.22% from 6th January to 13th January as markets digested the much anticipated Trump press conference with him reverting more to type compared to his more amenable post-election stance!

Germany’s 2016 growth best in 5 years – Data from the Federal Statistics Office shows the German economy, the major driver of euro zone growth, expanded 1.9% in 2016, the fastest rate in five years, up from 1.7% in 2015. There was a €6.2 billion budget surplus and German exports also hit a record in November.

U.K.’s FTSE 100 index rises for 14th day in a row – The FTSE 100 closed on Friday at 7,337.8, with a 12th consecutive daily all-time high, the longest such run ever and also the 14th day in a row of index rises. The weak pound has encouraged investors as the U.K. index achieved its sixth successive weekly advance.

BOE’s Chief says Brexit no longer biggest risk to U.K. economy – The Bank of England governor Mark Carney said that Brexit is no longer the biggest single risk to financial stability and may revise its economic forecast higher next month. He also said the EU has more to lose from a “hard” Brexit than the U.K. has.

The Story of the week: A man has found an innovative new way to catch fish without using a rod – by using a drone. Paul Sirimarco, from California, believes it's a sport that could catch on. He was challenged by his fisherman friend Brian Maguire to pick up a large mouth bass. After testing the drone’s lifting power with two 16oz coke bottles, the pair went ahead and managed to make the catch at the Lakes Country Club in Palm Desert, California. Paul's wife Tina, who captured the action on camera, said: "Brian fishes out of the lake and Paul likes flying the drone."

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 13/01)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	1.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	2.7
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	1.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	1.7
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	3.6
Nikkei 225	22.9	56.7	7.1	9.1	0.4	0.9
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	3.1
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	2.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	1.9
Greece	12.7	8.2	9.6	7.9	7.1	6.8
Portugal	6.9	6.1	2.7	2.5	3.8	3.8
Spain	5.4	4.1	1.6	1.7	1.4	1.4
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/€)	1.31	1.37	1.21	1.09	1.04	1.06
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.21
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance